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For Council Meeting of June 29, 1978

To: The Honorable Mayor and Members of the City Council
 From: City Administrator
 Subject: Budget Revisions

We have received today (and copies are attached for your review) League Bulletin #26, which addresses SB-154, Proposition 13 Implementation Bill, and a full copy of SB-154.

We felt that when we received this information we would be able to project the City's revenue for the coming 78/79 fiscal year. However, to quote the League bulletin, "The bill language setting forth calculations for the distribution of the 1% property tax revenue and the \$250 million State surplus monies contains many gaps, miswordings and inconsistencies. These problems are sufficient to prevent cities from even estimating revenues." The League staff is working with the Department of Finance, Board of Equalization and Conference Committee and will attempt to address to us in the next few weeks our estimated revenues.

The City is in the position that if we enter the upcoming fiscal year without a budget the Council will be required to authorize all expenditures prior to commitments being made. This would in effect place the Council in an untenable position and all but halt the operation.

We would like to recommend that the Council adopt a tentative budget, which we would all agree will be amended as additional information is acquired. If this meets with the Council's wishes, I would recommend that the budget as originally prepared and submitted to the City Council on April 17, 1978, with the following modifications, be tentatively adopted. In summary, the following modifications reduce the budget by some \$432,436 or 10.97%, which is in line with the predictions made by Mr. Jarvis and, I assume, the areas of reduction requested by the citizenry when they voted for Proposition 13.

REDUCTIONS OF PROPOSED 78/79 BUDGET

<u>78/79 Proposed Budget Page</u>	<u>Function</u>	<u>Activity</u>	<u>\$ Reduction</u>
13	City Council	Miscellaneous	\$ 500
16	City Clerk	Overtime	500 (1)
17		Office Supplies	1,000
18		Mobile File	100
18		Chair	100
20	Legal Printing		7,500
24	Administration	Consulting Service	1,000
		Office Supplies	1,000
		Dues & Subscriptions	1,000
27	Planning	Overtime	600 (1)
28		Office Supplies	1,020
29		File Cabinet	133
29		Flat File	200
32	Treasurer/Finance	Auditors	1,000
32		Office Supplies	500
32		Dues & Subscriptions	100
32		In-Service Training	200
40	Civic Promotion	Contracts	8,200 (2)
40		Repairs	800
40		Supplies	600
40		Miscellaneous	1,000
43	Government Building	Custodian	4,077
43		Tree Trimmer Lead Worker	242
44		Miscellaneous	200

(1) Overtime for night meetings deleted.

(2) Reduce Chamber of Commerce to \$7,200; delete Christmas decoration installation; provides \$1,000 from Quick estate interest for Art Show.

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<u>Budget Page</u>	<u>Function</u>	<u>Activity</u>	<u>\$ Reduction</u>
47	Police	Police Officer	13,367 (3)
47		Overtime	15,760 (4)
47		Custodian	4,077 Cr.
48		Contracts	6,000
48		Office Supplies	1,000
49		Patrol Vehicles	6,000
49		Plans for New Facility	6,000
49		Automatics	350
54	Radio Operation	In-Service Training	200
55		Contracts	4,500 Cr.
55		Typewriter	700
58	Fire Department	Consulting Service	Review call out policy for possible future adjustment.
65	Adm. & Engineering	Engineering Tech.	12,688
65		Overtime	500
66		Office Supplies	500
66		Supplies	500
66		In-Service Training	100
67		File Cabinet	120
69	Street Maintenance	Tree Trimmer Lead Worker	9,788
70		Supplies	1,000
71		Palm Avenue Railroad Gates	20,000
71		Realign Palm & Main	85,000
73	Street Cleaning	Motor Sweeper Operator (52%)	6,581 (5)
73		Overtime	500
74		Utilities	50
74		Repairs	500
74		Oil, Gas	1,100
74		Supplies	1,600
81	Corporation Yard	Equipment Serv. Worker	11,280
81		Tree Trimmer Lead Worker	242
85	Refuse Collection	Tree Trimmer Lead Worker	362
93	Insurance & Interest	Unemployment	294
93		Interest	10,000
93		Workmen's Comp	2,185
96	Membership	Employee Relations	2,500
96		VCAG	2,000 Cr.
97	Revenue Sharing	Social Services	9,400
102	Human Relations	Conference & Travel	1,400
105	Retirement	Retirement	4,330
107	Flood Control	Tree Trimmer Lead Worker	242
111	Parks	Parks Maint. Worker	9,020
111		Tree Trim. Lead Worker	1,087

(3) Correct error in original budget; correct number of officers is 11, not 12.

(4) Reduces holiday overtime to 1½ pay.

(5) Remaining 52% of time to be changed to street maintenance, allowing 52% of a maintenance man to be assigned to park maintenance.

Cr. indicates increase

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78/79 Proposed
Budget Page

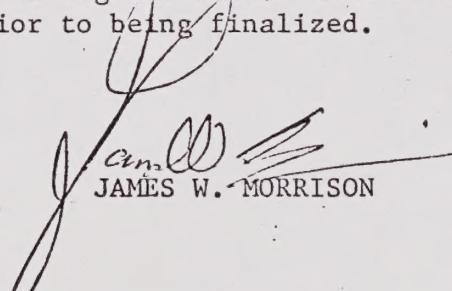
	<u>Function</u>	<u>Activity</u>	<u>\$ Reduction</u>
115	Recreation Program	Part-Time Salaries	19,760 (6)
115		Overtime	300
116		Utilities	1,500
116		Supplies	2,300
116		Awards	1,200
117		Sr./Teen Center	120,000 (7)
117		Four Drawer File	125
134	Capital	Renenue Sharing	25,000
(6)	Playgrounds, summer, Christmas, Easter	7,000	
	Youth basketball	800	
	Youth football	500	
	Youth track	500	
(7)	City portion of funding		

The reduction in actual positions from our current work force would be three, the Tree Trimmer Lead Worker, the Equipment Service Worker, and the Engineering Technician. We had recommended an additional Parks Maintenance position, which also has been deleted.

I would further recommend that as vacancies occur they be individually reviewed prior to being filled, at least until such time as we have a better indication of our revenue. This would not apply to the three vacant positions we presently have in the Police Department. However, they will probably be delayed anyway, because of the lack of the sheriff's office holding an Academy, which they would be required to attend prior to commencing duty.

The actual reductions in the budget would indicate a 7.53% reduction in salaries, a 4.50 % reduction in maintenance and operation, and a 22.38% reduction in capital improvements.

Again, there is much confusion at the State level on what, if any, salary increases will be granted State employees, the Senate saying 5%, the Assembly 2%, and the Governor zero. The modified budget is based on a zero increase for all City employees. You will note that it also includes a reduction in overtime for police officers working holidays from 2½ times regular rate to 1½ times regular rate. This is a meet and confer item and would be subject to that process prior to being finalized.


JAMES W. MORRISON

JWM:gen

Attachments

